88-177

Supreme Court, U.S.
FILED
SEP 28 1988
JOSEPH F. SPANIOL, JR.
CLERK

No. A-964

IN THE
SUPREME COURT OF THE UNITED STATES
OCTOBER TERM, 1988

VECO INTERNATIONAL, INC., VECO, INC.,
and NORCON, INC.,
Appellants,

v.

ALASKA PUBLIC OFFICES COMMISSION,
Appellee.

On Appeal from the Supreme Court of the
State of Alaska

MOTION TO DISMISS

GRACE BERG SCHAIBLE
ATTORNEY GENERAL

Richard D. Monkman
Assistant Attorney General
(Counsel of Record)
State of Alaska
Department of Law
P.O. Box K, State Capitol
Juneau, AK 99811-0300
(907) 465-3600

TABLE OF CONTENTS

	Page
TABLE OF AUTHORITIES.....	ii
JURISDICTIONAL STATEMENT....	1
OPINIONS BELOW.....	1
STATEMENT OF THE CASE.....	2
I. APPELLANTS' OVERBREADTH ARGUMENT DOES NOT PRESENT A SUBSTANTIAL QUESTION.....	8
A. Appellants' "Heightened Scrutiny" Standard is an Attempt to Divert the Court's Attention from the Facts of this Case.....	8
B. No Substantial Issue is Posed by the Group Reporting Requirements of the Alaska Campaign Disclosure Act.	13
C. The Alaska Supreme Court's Decision is in Harmony with those of this Court.....	26
II. THERE IS NO SUBSTANTIAL VAGUENESS QUESTION PRESENTED IN THIS CASE..	30
CONCLUSION.....	34

TABLE OF AUTHORITIES

Cases	Page
Broadrick v. Oklahoma, 413 U.S. 601 (1972).....	9,13,25
Brown v. Socialist Workers '74 Campaign Committee, 459 U.S. 87 (1982).....	12,13,14, 15
Buckley v. Valeo, 424 U.S. 1 (1976).....	10,13,14, 15,22,24, 25,26,27, 28
Citizens Against Rent Control v. Berkeley, 454 U.S. 290 (1981).....	11
City Council v. Taxpayers for Vincent, 466 U.S. 789 (1983).....	8
Federal Election Comm'n v. Nat'l Conservative Political Action Committee, 470 U.S. 480 (1984).....	10,11
First National Bank of Boston v. Bellotti, 435 U.S. 765 (1978).....	11
Hammond v. Hoffbeck, 627 P.2d 1052 (Alaska 1981).....	17
Malone v. Meekins, 650 P.2d 351 (Alaska 1982).....	23

Cases	Page
NAACP v. Alabama, 357 U.S. 449 (1958)	12
Parker v. Levy, 417 U.S. 733 (1974)	31
Smith v. Goguen, 415 U.S. 566 (1974)	30
VECO International et al. v. Alaska Public Offices Commission, 753 P.2d 703 (Alaska)	1,18,20, 33
Young v. American Mini Theatres, 427 U.S. 50 (1976)	30,31,34

Alaska Statutes

AS 15.13	8
AS 15.13.030(2)	26
AS 15.13.040	6,16
AS 15.13.050	16,19,24,
AS 15.13.070(a)	5
AS 15.13.130(3)	7,19,28, 31,32

Federal Statutes

2 U.S.C. §§ 431	16
2 U.S.C. §§ 432(c), (d), 434(b)	16

Cases — Page

Other

Ohio Rev. Code Ann.
§ 3517.01 *et seq.*..... 14

Black's Law Dictionary
(rev. 4th ed. 1968)..... 18,31,32

Webster's Third
International Dictionary
(1976)..... 24

L. Makinson, Open Secrets:
The Price of Politics in
Alaska, The Insider's Guide
to Money, Power and
Influence in the 49th
State (1987)..... 23

JURISDICTIONAL STATEMENT

This appeal from the final judgment of the Supreme Court of the State of Alaska in VECO International et al. v. Alaska Public Offices Commission, 753 P.2d 703 (Alaska 1988), does not raise substantial federal questions and does not merit review by the Court.

OPINIONS BELOW

The opinion of the Supreme Court of the State of Alaska is reported at 753 P.2d 703 (Alaska 1988). The opinions of the Superior Court for the Third Judicial District at Kodiak (Madsen, J.) and of the Alaska Public Offices Commission are not reported, but are reproduced as appendices to Appellants' Statement of Jurisdiction.

STATEMENT OF THE CASE

Between December 23 and December 31, 1983, five candidates for the Alaska State Senate each received an envelope stuffed with $100 checks drawn on the corporate accounts of appellants VECO International, Inc.; VECO, Inc.; and Norcon, Inc. ("VECO"). Three candidates received envelopes containing seventy-seven checks, for a total of $7,700; two candidates received envelopes containing seventy-eight checks, totalling $7,750 and $7,720. The name of a VECO employee appeared under the heading "Invoice Description" on each check.

The envelopes of checks were the final act of an intricate campaign contribution scheme known as "the VECO Plan." The "Plan" began in October 1983, when VECO's general counsel

drafted a document entitled "Oil Tax Legislation and its Direct Effect on Your Job." Appendix 1. This was given to every nonunion VECO employee, along with a form authorizing VECO to withhold $100 from the employee's next paycheck and specifying that the withheld money "should be paid according to the recommendation of the Alaska Political Action Committee," a group controlled by VECO's owner, Bill Allen, and one of Allen's business associates. Appendix 2. The form did not identify any candidates to whom the money would be given. Of about 600 nonunion VECO employees, 415 signed the form. About $41,080 was withheld from these employees' paychecks and pooled in VECO corporate accounts.

In November 1983, Allen chose a small group of candidates for the

Alaska State Senate who, in VECO's lobbyist's words, were "the ones that they think philosophically are going to support killing taxes." These candidates were given large contributions by VECO subsidiary corporations (including the three appellants) and by VECO executives. 1/ The candidates were flown by chartered aircraft to Alaska's North Slope, where they were introduced to VECO employees by Allen at a "champagne, steak [and] lobster" banquet.

1/ The contributions included: APAC, $4,000 (1984); Arctic Rentals, Inc., $6,000 (1984); Best Exploration, Inc., $7,000 (1984); VECO International, Inc., $1,600 (1983), $8,125 (1984); VECO, Inc., $49,315 (1983), $24,550 (1984); and Norcon, Inc., $8,305 (1983), $8,000 (1984). The total amount of contributions involved was $116,895.

In December 1983, VECO's general counsel met with corporate officers of each of the appellants to divide up the withheld employee pay. The general counsel randomly assigned one of the chosen candidates to each employee name. Checks for $100 were cut, envelopes stuffed, and the envelopes were delivered to the five candidates.

These contributions exceeded the maximum allowed under Alaska law by about $6,700 per candidate ($36,080 total), and were not disclosed in any identifiable fashion to the public. The Alaska Campaign Disclosure Act sets a maximum of $1,000 on contributions from a single source (individual or group) in a single year. Alaska Stat. 15.13.070(a). The names of contributors of $100 or less are <u>not</u> reported to the Alaska Public Offices Commission

or otherwise disclosed by the candidates. Alaska Stat. 15.13.040. In this case, the candidates reported the VECO contributions in the aggregate, anonymously lumped together with all other contributions received of $100 or less in 1983. VECO did not report the contributions at all.

The source of the contributions was discovered in mid-1984 by an enterprising Anchorage Daily News reporter, whose inquiries led the Commission staff to begin an investigation. After hearing, the Commission ruled that the contributions were not "individual" contributions of the various VECO employees, but were contributions by political groups as that term is defined in the statute:

> "group" means . . . any combination of two or more persons or individuals acting

> jointly who take action the major purpose of which is to influence the outcome of an election . . . .

Alaska Stat. 15.13.130(3).

The Commission assessed fines for failure of appellants to register as groups and failure of appellants to file reports disclosing the contributions, Appellants' Br. at 60a-68a; the Alaska Superior Court at Kodiak affirmed, Appellants' Br. at 37a-59a; the Alaska Supreme Court affirmed, Appellants' Br. at 1a-36a; and this appeal followed.

I. APPELLANTS' OVERBREADTH ARGUMENT DOES NOT PRESENT A SUBSTANTIAL QUESTION.

A. Appellants' "Heightened Scrutiny" Standard is an Attempt to Divert the Court's Attention from the Facts of this Case.

Appellants argue that the Alaska Campaign Disclosure Act, Alaska Stat. 15.13, ("the Alaska Act"), is subject to "heightened overbreadth scrutiny." The proposed "heightened scrutiny" seems to be an attempt to avoid traditional standing requirements.

This Court requires a "realistic danger" that the statute itself will significantly compromise recognized First Amendment protections of parties not before the Court for it to be facially challenged on "overbreadth grounds" by a third party. City Council v. Taxpayers for Vincent, 466 U.S. 789, 801 (1983). The standard is

whether the Act, as construed, is substantially overbroad:

> Application of the overbreadth doctrine in this manner is, manifestly, strong medicine. It has been employed by the Court sparingly and only as a last resort. Facial overbreadth has not been invoked when a limiting construction has been or could be placed on the challenged statute. . . .
>
> [T]he plain import of our cases is, at the very least, that facial overbreadth adjudication is an exception to our traditional rules of practice and that its function, a limited one at the outset, attenuates as the otherwise unprotected behavior that it forbids the State to sanction moves from "pure speech" toward conduct . . . To put the matter another way, particularly where conduct and not merely speech is involved, we believe that the overbreadth of a statute must not only be real, but substantial as well, judged in relation to the statute's plainly legitimate sweep.

Broadrick v. Oklahoma, 413 U.S. 601, 613, 615 (1972).

This case involves campaign contributions, a form of conduct which sometimes produces protected speech, but speech by someone other than the contributor. Buckley v. Valeo, 424 U.S. 1, 24 (1976); cf. Federal Election Comm'n v. Nat'l Conservative Political Action Committee, 470 U.S. 480, 508 (1984) (White, J., dissenting). This Court has upheld disclosure of the sources of campaign contributions against a wide range of First Amendment challenges, citing the "legitimate and compelling governmental interests" of preventing corruption:

> Corruption is a subversion of the political process. Elected officials are influenced to act contrary to their obligations of office by the prospect of financial gain to themselves or the infusion of money into their campaigns. The hallmark of corruption is the financial

> quid pro quo: dollars for political favors.

FEC v. NCPAC, 470 U.S. at 497.

Appellants' arguments are based on cases involving independent expenditures in support of ballot propositions, Citizens Against Rent Control v. Berkeley, 454 U.S. 290 (1981); First National Bank of Boston v. Bellotti, 435 U.S. 765 (1978), and independent expenditures on behalf of candidates. FEC v. NCPAC, 470 U.S. 480. This Court has held that independent expenditures do not pose the danger of corruption found in campaign contributions, and therefore, the governmental interest in limiting independent expenditures is small. See, e.g., Citizens Against Rent Control, 454 U.S. at 297. Appellants also rely on cases involving compelled disclosure of the names of

members of a minor political party, disclosure which has shown "substantial evidence of both governmental and private hostility" to its goals, a situation not presented here. Brown v. Socialist Workers '74 Campaign Committee, 459 U.S. 87 (1982); see also NAACP v. Alabama, 357 U.S. 449 (1958).

This case, unlike those cited by appellants, involves massive, hidden campaign contributions made to candidates who, appellants expected, would "support killing taxes" on the oil industry, to appellants' financial benefit. There are strong, valid governmental interests in disclosure of these contributions.

> To the extent that large contributions are given to secure a political quid pro quo from current and potential office holders, the integrity of our system of

> representative democracy is undermined. . . .

Buckley v. Valeo, 424 U.S. at 26-27.

The "plainly legitimate sweep" of the Alaska Campaign Disclosure Act encompasses disclosure of the source of these campaign contributions. Buckley v. Valeo. To justify review of this case, appellants must establish that the Alaska Act, as construed by the Alaska Supreme Court, presents an overbreadth problem which is both "real and substantial" when judged in relation to the statute's "plainly legitimate sweep." Broadrick. This appellants have not done.

B. No Substantial Issue is Posed by the Group Reporting Requirements of the Alaska Campaign Disclosure Act.

Appellants argue that the "balancing test" articulated in Brown v. Socialist Worker's '74 Campaign

Committee, 459 U.S. 87 (1982), applies to this case. Brown involved a political party which, the record established, had historically been the object of harassment by government officials and private individuals. This Court applied Buckley v. Valeo to hold that the party could not be constitutionally compelled to comply with the Ohio Campaign Expense Reporting Law, Ohio Rev. Code Ann. § 3517.01 et seq.:

> [T]he First Amendment prohibits the government from compelling disclosures by a minor political party that can show a "reasonable probability" that the compelled disclosures will subject those identified to "threats, harassment, or reprisals"

Brown, 459 U.S. at 88.

There is not a scintilla of evidence to show that disclosure of the contributions at issue in this case would subject appellants, their

employees, or the candidates to any type of "threats, harassment, or reprisal." The Brown test is not a correct framework for analysis of the usual campaign contribution case; it is unclear why appellants propose it to the Court.

The main thrust of appellants' argument is that the Alaska Act's disclosure provisions "are not limited to groups that spend more than an established threshold amount," in contrast to the Federal Election Campaign Act, 2 U.S.C. §§ 431 et seq. ("the Federal Act"), as approved in Buckley v. Valeo, 424 U.S. at 83. Appellant's Br. at 11. The Federal Act required political committees to keep records of contributions received in excess of $10 and to file detailed reports of contributions received and expenditures made in

excess of $100. 2 U.S.C. §§ 432(c), (d), 434(b); 424 U.S. at 151-52, 157-59. Similarly, the Alaska Act requires detailed reports of contributions over $100, but less detailed, aggregate reporting of contributions of under $100. Alaska Stat. 15.13.040.

The major difference, appellants argue, is that group registration is required under that Alaska Act before a group makes any contribution -- regardless of amount. Alaska Stat. 15.13.050. Groups which do not make contributions or expenditures are not required to register under the Alaska Act. Id.; VECO v. APOC, 753 P.2d at 712; Appellants' Br. at 17a.

Appellants argue that the lack of a numerical expenditure threshold "burdens" the First Amendment rights of hypothetical groups who might take

action other than contributing to candidates. In making this altruistic argument on behalf of unknown third parties, appellants ignore that the Alaska Supreme Court has construed the Alaska Act, as it is empowered to do under Alaska law, see, e.g., Hammond v. Hoffbeck, 627 P.2d 1052 (Alaska 1981), to require substantial action involving campaign contributions or the expenditure of money before disclosure is required:

> Any expenditure or contribution, even one of only $1, will trigger the registration and reporting requirements of the [Alaska] Act. . . . Admittedly, it is hard to imagine the Commission attempting to enforce the Act in those circumstances. However, in this case, we can eliminate that danger, along with its correlative chilling effect, by a very reasonable exercise of statutory construction. We are confident that the

> legislature would want the Act, as construed, to survive.
>
> One of the crucial portions of the Act that contributes to its overbreadth is the definition of "group": "'group' means ... any combination of two or more persons or individuals acting jointly who take action the major purpose of which is to influence the outcome of an election." AS 15.13.130(4). By construing the word "action" to include only substantial action, the Act will not be facially overbroad. Yet, it will remain largely intact to accomplish the legislature's salutary purpose of bringing about major political reform.

VECO v. APOC, 753 P.2d at 713-14 (emphasis in original); Appellants' Br. at 20a-21a.

"Substantial" is a common word, well known to the law, which means "[o]f real worth and importance, of considerable value; valuable." Black's Law Dictionary (rev. 4th ed. 1968).

Thus, as construed by the Alaska Supreme Court, the Alaska Act requires registration and reporting by a group only when the group takes substantial action, action of value, action of real worth and importance, intended to influence the outcome of an election. And, the Alaska Act does not require registration and reporting unless and until this substantial action is accompanied by contributions to candidates or expenditures on behalf of a candidate. Id.; Alaska Stat. 15.13.050; Alaska Stat. 15.13.130(3).

The Alaska Supreme Court specifically excluded from "substantial action" the small-scale, informal activities which appellants worry are burdened by the Alaska Act, and took pains to note that the Commission could exercise its rulemaking authority by

adopting the sort of numerical threshold appellants' argue is necessary:

> It should be noted that the Commission has authority to promulgate regulations which would further refine the definition of group. AS 15.13.030(10). That authority includes the authority to impose an expenditure threshold below which any activity would be exempt.

VECO v. APOC, 753 P.2d at 714; Appellants' Br. at 21a-22a.

However, this Court has never held that a specific numerical expenditure or contribution threshold is required for a campaign contribution disclosure statute to pass First Amendment muster. Appellants' argument, that without a numerical threshold the Alaska Act "seriously burdens the speech and associational activities of small participants in the political process," is

speculative at best, and certainly not presented by the instant case.

Here, the owner of one of Alaska's largest employers hand-picked a group of candidates to receive anonymous largess from a slush fund of $41,080. Appellants' pious assertion that the Alaska public cannot "derive any benefit at all from knowing that a small group of private citizens" contributed to a candidate, Appellants' Br. at 14, is at odds with the facts of this case, and directly conflicts with their earlier statement:

> Clearly, even a few people, spending only a few dollars, can take action that is intended to and does shift more than a few votes.

Appellants' Br. at 12.

In this case, "a few people" spent many, many dollars. Even if the amount had been less, the Court can take note

that of the 240,000,000 people in the United States, only about 521,000 live in Alaska. The average Alaska State Senate District holds about 20,000 registered voters, of whom perhaps 65 percent will vote in a hotly contested race.

Electoral contests in Alaska are frequently decided by razor thin margins -- ten votes, twelve votes, even three or four votes. A shift of "only a few votes" can change the outcome of an election. The public is entitled to know who is shifting those "few votes" for the important reasons articulated by this Court: deterrence of corruption, disclosure of "the interests to which a candidate is most likely to be responsive" after the election, and enforcement of the campaign laws. Buckley v. Valeo, 424 U.S. at 66-68.

Politics are loud, lively, and intensely personal in Alaska. Knowledge of the identity of those supporting a candidate is avidly sought. This information is especially critical in Alaska, where party labels and platforms are vague, at best, and "coalition politics" are the norm rather than the exception. See, e.g., Malone v. Meekins, 650 P.2d 351 (Alaska 1982). The contribution disclosure reports filed with the Commission are closely scrutinized by the media and support a thriving cottage industry of scandal-seeking reporters and political analysts. See, e.g., L. Makinson, Open Secrets: The Price of Politics in Alaska, The Insider's Guide to Money, Power and Influence in the 49th State (1987) (compilation of Commission disclosure records with explanatory commentary).

In these circumstances, disclosure of even a token contribution can be illuminating: "token," after all, means "an outward indication or expression, a visible sign; . . . something (an act, gesture, or object) that serves as a sign or signification." Webster's Third International Dictionary 2404 (1976). A minimal contribution by an interest group is an "outward sign" of "the interests to which a candidate is most likely to be responsive and thus [will] facilitate predictions of future performance in office." Buckley v. Valeo, 424 U.S. at 67.

The Alaska Legislature decided that the appropriate threshold for disclosure was when a group made a contribution of any amount, no matter how small, to a candidate for public office. Alaska Stat. 15.13.050. Given

what is, by national standards, the tiny size of the Alaska political theatre, this legislative judgment is no less reasonable than the Congressional judgment, approved by this Court, that detailed records of contributions to national campaigns must be kept for all amounts over $10. Buckley v. Valeo, 424 U.S. at 82-84.

The Alaska Supreme Court's construction of the Alaska Act to require "substantial action" so narrows the statute as to remove the hypothetical threats to constitutionally protected expression raised by appellants. Broadrick, 413 U.S. at 615. The Alaska Act, as construed, does not present a substantial overbreadth issue worthy of

this Court's consideration on appeal. 2/

C. The Alaska Supreme Court's Decision is in Harmony with those of this Court.

Below, appellants asserted that this Court's decision in Buckley v.

2/ The burden that the Alaska Act places on what appellants refer to as "marginal groups" or "small participants" who take "substantial action the major purpose of which is to influence the outcome of an election" is minimal. The Alaska disclosure forms are simple, Appendix 3, and the Commission is required by law to help any group which has difficulty complying with the Alaska Act:

> The commission shall . . . prepare and publish a manual setting out uniform methods of bookkeeping and reporting for use by persons required to make reports and statements under this chapter and otherwise assist candidates, groups, and individuals in complying with the requirements of [the Alaska Act].

Alaska Stat. 15.13.030(2).

Valeo was "imaginative" but "extreme." Appellants' Supplemental Brief on Appeal to the Alaska Supreme Court, at 2. On appeal to this Court, appellants choose not to urge that Buckley be overruled, but instead to argue that the Alaska Supreme Court's construction of the Alaska Act conflicts with Buckley and certain state court decisions:

> In sum, the [Alaska] Act, along with similar statutes enacted by other states, imposes significant burdens, which this Court has never approved, upon a broad spectrum of core protected speech and associational activities. The state's interest in regulation is significantly more attenuated than that which this Court has found adequate in other disclosure cases, and the burdens involved exceed those which disclosure statutes legitimately impose on more substantial political activity.

Appellants' Br. at 19 (emphasis added).

In fact, as this case indicates, the Alaska Act is aimed precisely at those activities which this Court has found may be legitimately regulated: contributions to campaigns for political office. As construed by the Alaska Supreme Court, the Alaska Act requires both "substantial action" and contributions or expenditures "made for the purpose of influencing the nomination or election of a candidate." Alaska Stat. 15.13.130(3). The governmental interests involved are not "more attenuated" than the interests "found adequate in other disclosure cases"; they are precisely the same interests that were "found adequate" by this Court in Buckley v. Valeo. Appellants' argument that the Alaska Supreme Court's decision conflicts with those of this Court is replete with key phrases and "buzz

words" gleaned from First Amendment cases, but it is not substantial and does not merit review.

II. THERE IS NO SUBSTANTIAL VAGUENESS QUESTION PRESENTED IN THIS CASE.

Appellants' second argument is that the Alaska Act is vague in two respects: the phrase "acting jointly," they argue, is unclear, and the phrase "substantial action" in the Alaska Supreme Court's decision is vague. Appellants incorrectly assert that they may challenge the Alaska Act on vagueness grounds despite it being "unquestionably applicable" to their conduct. Appellants' Br. at 21 (citing Young v. American Mini Theatres, 427 U.S. 50, 59 (1976)).

The "vagueness" doctrine is based on "notions of fair notice or warning." Smith v. Goguen, 415 U.S. 566, 572-73 (1974). Unlike overbreadth questions, this Court has repeatedly held that "[o]ne to whose conduct a statute

clearly applies may not successfully challenge it for vagueness." Parker v. Levy, 417 U.S. 733, 756 (1974), cited in Young v. American Mini Theatres, 427 U.S. at 59.

At hearing, appellants' counsel admitted that making campaign contributions was "tak[ing] action the major purpose of which is to influence the outcome of an election" under the Alaska Act, and that the statute was clear on that point. (Alaska Stat. 15.13.130(3).) He "absolutely agreed" that the phrase "two or more persons or individuals" was "perfectly clear." (Id.) The only vagueness issue raised below was whether the phrase "acting jointly" imparted fair notice of the conduct proscribed.

This phrase is composed of two words well known to the law. Black's

defines "joint" as "united; combined; undivided; done by or against two or more unitedly; shared by or between two or more . . . ." Black's, supra, at 971-72. The word "act" signifies something done voluntarily by a person." Id. at 42. Thus, the plain meaning of "acting jointly" is "something done by two or more persons together." This is not a difficult concept. Understood in its ordinary meaning, "acting jointly" gives adequate notice as to the conduct required by the statute.

The Alaska Supreme Court noted:

> The [Alaska] Act provides that a group -- a combination of two or more people acting jointly who take action, the major purpose of which is to influence the outcome of an election (AS 15.13.130(3)) -- which makes a contribution or expenditure must register and file periodic reports. In our view this definition imparts fair notice that the

VECO plan is included, and is not unconstitutionally vague.

VECO v. APOC, 753 P.2d at 714; Appellants' Br. at 22a.

The issue raised by the Alaska Supreme Court's use of the term "substantial" in its opinion below is not worthy of review. Appellants' contributions, made in coordination with massive contributions from appellants' various subsidiary corporations and executives, were certainly "substantial action, likely to cause more than a few votes to shift." The Alaska Supreme Court correctly noted that "as applied to VECO, this definition is not even slightly vague. To the extent that vagueness problems occur at all, they occur only at the periphery. That has never been grounds for facially invalidating a statute." VECO v. APOC, 753

P.2d at 714; Appellants' Br. at 21a (citing Young v. American Mini Theatres). The Alaska Supreme Court's decision was correct on this point; the issue raised is not substantial and does not merit review by this Court.

CONCLUSION.

This appeal should be dismissed for lack of jurisdiction.

Dated this 28th day of September, 1988, at Juneau, Alaska.

GRACE BERG SCHAIBLE
ATTORNEY GENERAL

By:
Richard D. Monkman
Assistant Attorney General

APPENDIX 1

VECO, INC.

3151 FAIRBANKS STREET • ANCHORAGE ALASKA 99503 • PHONE [illegible]

TO: EMPLOYEES

FROM: BILL ALLEN

SUBJECT: OIL TAX LEGISLATION AND ITS DIRECT EFFECT ON YOUR JOB

It is in the interest of all to see the oil companies continue to develop the oil fields on the North Slope. Not only is it in the interest of us who need the jobs, but also in the long-term interest of the state.

All of us are familiar with the Prudhoe Bay field (Sadlerochit Reservoir) and the Kuparuk field, but many of us do not realize that there are many more fields that have been discovered. These fields are economically marginal and will not be developed if high tax burdens are placed on the oil companies. If fields are not developed, jobs for contractors will not be required. Prudhoe Bay field will begin to decline in 1986-87 at approximately 12% per year, drastically cutting the revenue to the state. The oil companies can minimize the field decline rate by various measures, such as drilling more wells, new and different reservoir techniques, and adding new and different production facilities. These measures will only be taken if they are economically justifiable. Taxes could make the difference, and the differente could be your job.

In addition, the Kuparuk field development has marginal economics. High taxes will completely halt the full development of the reservoir. There are many more fields such as Connoco's, Milne Point, ARCO's Lisburne, and West Sac Reservoirs, plus Sohio's Endicott Field, whose development will be delayed indefinitely if taxes are raised.

The Alaska legislature, like the legislature in any state, has the responsibility for generating state income through various forms of taxation. It is the opinion of many that the Alaska legislature has looked to the oil industry to solve its revenue problems. Regardless of which state you live in, you have a direct interest in what type of legislators are elected to the Alaska legislature. As oil production declines, state revenues will also decline. Some people argue that taxes should be raised to offset declining revenues. If the legislature looks only to raise the taxes on the oil companies, eventually the oil business on the North Slope will slow down and jobs will disappear. It is of everybody's interest to see that responsible legislators are elected to office. We need to find legislators who will hold the oil companies responsible for only their fair share of taxes, but not legislators who will tax to the point where the oil companies will look to other areas of the world for production.

APPENDIX 1

EX A-8

BEST AVAILABLE COPY

We have all heard of the Mukluk or Diapir Fields in which Sohio, Texaco, and others are predicting another Prudhoe Bay. This is a Federal Lease and will not generate any royalty revenue to the state, making it more important to maintain a favorable economic climate in which to develop the other marginal fields that are on state land.

ARRIVED
AUG 13 1984
APOC - ANCH
PM HC

Ex A-9

BEST AVA

I. PRODUCTION FIELDS

Prudhoe Bay - Sadlerochit Reservoir

Taxation will affect the economics of capital expenditures to obtain additional oil, such as the Ponding E.O.R. Plant - $1 billion+.

Incremental Oil Estimate - 1/2 billion barrels.

Kuparuk

Taxation will affect the economics for expenditures to develop marginal portions of the reservoir.

Incremental Oil Estimate - 1 billion barrels.

II. FIELDS THAT ARE PROBABLE DEVELOPMENTS

These fields will probably be developed based on current economics but would not be developed should high taxation be imposed.

A. Lisburne Reservoir - Prudhoe Bay

Possible Oil Production - 1 billion barrels.

B. West Sac Reservoir - Kuparuk

Possible Oil Production - 5 billion barrels.

C. Endicott Reservoir - Duck Island Development

Possible Oil Production - 1/2 billion barrels.

D. Milne Point Unit - Kuparuk

Possible Oil Production - 1/2 billion barrels.

E. UGNU

Possible Oil Production - 5 billion barrels.

III. FIELDS WHICH CONTAIN HYDROCARBONS THAT WILL BE PRODUCED WHEN PIPELINES ARE AVAILABLE IN THE AREA AND OIL PRICES CLIMB.

A. Thompson Point/Flaxman Islands
B. Mikkelson Bay
C. Gwydyr Bay
D. Tern Island
E. McClure Island
F. Maguire Islands

Combined Possible Oil Production - 1 billion barrels.

IV. FIELDS LEASED BUT NOT YET DRILLED. EXPLORATION WILL BE DELAYED WITH HIGH TAXES, PLUS MAKE THE ECONOMICS FOR DEVELOPMENT NEGATIVE.

A. Harrison Bay (State Land)

Possible Recoverable Oil - 2 billion barrels.

B. Cross Island

Possible Recoverable Oil - 2 billion barrels.

Fx A-10

ARRIVED
AUG 13 1984
APOC-ANCH
PM HC

ILABLE COPY

APPENDIX 2

[redacted]

[redacted]

[redacted]

[redacted] ARRIVED

AUG 13 1984

[redacted] APOC-ANCH

[redacted]

AUTHORIZATION FOR PAYROLL DEDUCTION

I hereby authorize the deduction of $100.00 from my next paycheck. The withheld money should be paid according to the recommendation of The Alaska Political Action Committee unless within 15 days after receiving the Committee's recommendation I revoke this authorization. I understand that you will provide me with evidence of who received my contributions and in what amounts so that I can use this information to take the tax credit off my Federal income taxes. Also I will use this information to apply for the $100.00 maximum political contribution refund from the State of Alaska provided I quality as an Alaska resident and provided that the Legislature appropriates funds for paying the refunds.

Employee Signature

Employee ID Number

Date:

APPENDIX 2
Ex A-11

BEST AVAILABLE COPY

APPENDIX 3

ARRIVED

FEB 27 1984

APOC - ANCH
PM HC
2/26/84

Return to:
ALASKA PUBLIC OFFICES COMMISSION
810 C Street, Suite 21[illegible]
chorage, Alaska 99501-3588
[illegible]71 276-4176

APOC FORM 15-2

REGISTRATION STATEMENT FOR GROUPS, POLITICAL PARTY SUBDIVISIONS, AND POLITICAL ACTION COMMITTEES

INSTRUCTIONS: A group must file this form before making any contributions or expenditures for or against a candidate or a ballot issue. If a group supports or opposes a single candidate, or spends 50% or more of its funds for or against a candidate, the candidate's name must be part of the group's name.

Name of Group:

Alaska Political Action Committee

Date Formed:

November 1, 1983

Group Mailing Address:

5151 Fairbanks Street
Anchorage, Alaska 99503

Election Year in which participating: 1984

☒ State ☐ Local _____
(Name of Municipality)

Chairman:	Mailing Address:	Home Tele:	276-2266
Bill J. Allen	5151 Fairbanks St., Anchorage 99503		272-3379
John C. Miller	550 W. 7th Ave., Anchorage 99501	Work:	561-1701
			279-1471

Treasurer:	Mailing Address:	Home Tele:	276-1445
Robert C. Ely	5151 Fairbanks Street Anchorage, AK. 99503	Work:	561-1701

Deputy Treasurer(s):	Mailing Address:	Telephone Number(s):
Milton Byrd	550 W. 7th Ave., Anchorage 99501	279-1471

Other Principal Organizers, Officers or Directors:

None

(Use additional sheet if necessary)

COMPLETE REVERSE SIDE

APOC Form 15-2 (5/82)

APPENDIX 3

Ex. E

BEST AVAILABLE COPY

TYPE OF GROUP: (Check any that apply)

This Group is:
- ____ An ad hoc group participating in one election only
- ____ An official party subdivision
- X An ongoing political action committee
- ____ Sponsoring a State initiative, State referendum, or State recall petition.

A. Does this group plan to contribute to or expend on behalf of one candidate 50% or more of its funds? Yes ____ No X
If yes, give the name of the candidate: ____

B. Is the major purpose of this group to support or oppose the nomination, election, or candidacy of only one candidate? Yes ____ No X
If yes, support ____ oppose ____ ; name of the candidate: ____

C. Will this group support or oppose a ballot proposition? Yes ____ No X
If so, fill in the following:

Title of proposition or question	Support?	Oppose?
____	____	____
____	____	____

D. Will this group sponsor a State petition to:
propose and enact laws by initiative? ..... Yes ____ No X
approve or reject acts of the Legislature by referendum? ..... Yes ____ No X
recall an elected official? ..... Yes ____ No X
Briefly describe the initiative, referendum, or recall proposed. Also attach a copy of the application submitted to the Lieutenant Governor's Office or the Division of Elections. ____

CERTIFICATION

I hereby certify that the information contained in this registration statement is true, complete, and correct to the best of my knowledge.

Date signed: 1/12/84 Signature: [signature] (Treasurer of Group)

Excerpts from Section 15.13.060. CAMPAIGN TREASURERS. (a) Each candidate and group shall appoint a campaign treasurer who is responsible for receiving, holding, and disbursing all contributions and expenditures, and for filing all reports and statements required by law.

(b) Each group shall file the name and address of its campaign treasurer with the commission at the time it registers with the commission under s 50 of this chapter.

(c) A campaign treasurer may appoint as many deputy campaign treasurers as he considers necessary.

BEST AVAIL

Return To
ALASKA PUBLIC OFFICES COMMISSION
619 C Street Suite 211
Anchorage Alaska 99501-3595
(907) 276-4176

APOC FORM 15-3A (5/84)

AMENDED

CAMPAIGN DISCLOSURE STATEMENT
SCHEDULE A—PAGE ONE

STEP ONE
NAME AND ADDRESS

1. CANDIDATE OR GROUP: Alaska Political Action Committee
MAILING ADDRESS: 5151 Fairbanks Street
Anchorage, Alaska 99503

ARRIVED
AUG 13 1984
APOC - ANCH

STEP TWO
CANDIDATES OFFICE FILED FOR

2. CANDIDATE FOR: N/A
IN DISTRICT:

STEP THREE
FOR WHICH ELECTION?

3. ☒ PRIMARY (AUGUST 1984) ☐ MUNICIPAL (OCTOBER 1984) ☐ GENERAL (NOVEMBER 1984)

STEP FOUR
WHICH REPORT IS THIS?

4. (The dates for each reporting period are listed on the back of this form.)
CHECK ONE BOX
This is my ☒ 30 Day Report ☐ 7 Day Report ☐ 10 Day Report
OR
Fill in the appropriate blanks
This is my 19___ YEAR-END REPORT, covering FROM_____THRU_____
This is my 19___ CLOSEOUT REPORT, covering FROM_____THRU_____

STEP FIVE
IF YOU RECEIVED NO MONEY AND SPENT NO MONEY, PLACE A CHECK MARK (✓) IN THE ZERO REPORT BOX

5. This is a "ZERO" REPORT. During the time period shown in Step Four, my campaign received NO contributions and made NO expenditures.
☐ ZERO REPORT BOX

STEP SIX
THIS REPORT MUST BE SIGNED BY EITHER THE CANDIDATE OR TREASURER

6. I CERTIFY THAT, TO THE BEST OF MY KNOWLEDGE, THIS REPORT IS TRUE, CORRECT AND COMPLETE.
SIGNED:
DATE August 8, 1984 (CANDIDATE ☐ OR TREASURER ☒)

Ex U-1

LABLE COPY

STATE SUMMARY PAGE
Schedule B

	COLUMN A From your last report	COLUMN B This period	COLUMN C Cumulative totals to date
CONTRIBUTIONS			
1. Monetary Contributions	$ -0-	$ 3,750 (line 4, Sch. C)	$ 3,750
2. Unpaid Loans	---	--- (line 3, Sch. E)	---
3. TOTAL MONETARY CONTRIBUTIONS	$ -0-	$ 3,750 (add lines 1 and 2)	$ 3,750 (add lines 1 and 2)
4. Non-monetary (in-kind) Contributions	$ ~~----~~	$ 575 (line 3, Sch. D)	$ 575
EXPENDITURES			
5. Paid Expenditures	~~APOC-AUCH~~	~~2009.43~~ ~~2,000~~ (line 3, Sch. H)	~~2009.43~~ ~~2,000~~
6. Accrued (unpaid) Expenditures	---	--- (line 3, Sch. H)	---
7. TOTAL EXPENDITURES	$ -0-	~~2009.43~~ ~~2,000~~ (add lines 5 and 6)	$ ~~2009.43~~ ~~2,000~~ (add lines 5 and 6)

RECEIVED
AUG 15 1984
APOC-AUCH

AUDIT REPORT

CASH BALANCE AND STATEMENT OF SURPLUS OR DEFICIT

8. CASH ON HAND AT BEGINNING OF THIS PERIOD (from line 11 of last report)	$ -0-
9. MONETARY CONTRIBUTIONS THIS PERIOD (from line 3 of Column B above)	3,750
SUB-TOTAL (add lines 8 and 9)	$ 3,750
10. PAID EXPENDITURES THIS PERIOD (from line 5 of Column B above)	~~2,000~~ 2009.43
11. CASH ON HAND AT CLOSING DATE (subtract line 10 from Subtotal)	$ ~~1,750~~ 1740.57

12. LIABILITIES (add line 7 of Column C above and line 6 of Column C above)	$
13. SURPLUS (if line 11 is more than line 12, subtract line 12 from line 11 and enter "surplus" here)	$ ~~1,750~~ 1740.57
14. DEFICIT (if line 12 is more than line 11, subtract line 11 from line 12 and enter "deficit" here)	$

This is your CASH BALANCE
If it does not equal your checkbook balance call the Commission.
* Checkbook balance is $9.43 less representing bank check printing cor

Alaska Political Action Committee
(NAME OF CANDIDATE OR GROUP)

Check one: ☒ 30 Day ☐ 7 Day ☐ 10 Day ☐ Year-end
Check one: ☐ Primary ☐ General 19 84

APOC Form 19-5B (6/84)

Ex 4.3

BEST AVAILAB

STATE SUMMARY PAGE
Schedule B

	COLUMN A From your last report	COLUMN B This period	COLUMN C Cumulative totals to date
CONTRIBUTIONS			
1. Monetary Contributions	$ -0-	$ 3,750 (from 4, Sch. C)	$ 3,750
2. Unpaid Loans	—	— (from 5, Sch. E)	—
3. TOTAL MONETARY CONTRIBUTIONS	$ -0-	$ 3,750 (add lines 1 and 2)	$ 3,750 (add lines 1 and 2)
4. Nonmonetary (in-kind) Contributions	$ —	$ [illegible]	$ 375
EXPENDITURES			
5. Paid Expenditures	$ -0-	$ 3,000 HC (from 3, Sch. A)	$ 3,000
6. Accrued (unpaid) Expenditures	—	— (from 3, Sch. B)	—
7. TOTAL EXPENDITURES	-0-	$ 3,000 (add lines 5 and 6)	$ 3,000 (add lines 5 and 6)

ARRIVED
AUG 13 1984
APOC - ANCH

AUDIT REPORT

CASH BALANCE AND STATEMENT OF SURPLUS OR DEFICIT

8. CASH ON HAND AT BEGINNING OF THIS PERIOD (from line 11 of last report)	$ -0-
9. MONETARY CONTRIBUTIONS THIS PERIOD (from line 3 of Column B above)	3,750
SUB-TOTAL (add lines 8 and 9)	$ 3,750
10. PAID EXPENDITURES THIS PERIOD (from line 5 of Column B above)	3,000
11. CASH ON HAND AT CLOSING DATE (subtract line 10 from Subtotal)	750 *
12. LIABILITIES (add line 2 of Column C above and line 6 of Column C above)	$ --
13. SURPLUS (if line 11 is more than line 12, subtract line 12 from line 11 and enter "surplus" here)	$ 750
14. DEFICIT (if line 12 is more than line 11, subtract line 11 from line 12 and enter "deficit" here)	$

AUDIT REPORT — EXPENDED BY CAMPAIGN

This is your CASH BALANCE
If it does not equal your checkbook balance call the Commission
* Checkbook balance is $9.43 less representing bank check printing cost.

Check one: ☒ 30 Day, ☐ 7 Day, ☐ 10 Day, ☐ Year-end
Check one: ☒ Primary, ☐ General 19 84

Alaska Political Action Committee
(NAME OF CANDIDATE OR GROUP)

APOC Form 19-39 (6/84)

Exh. 4

BLE COPY

STATE MONETARY CONTRIBUTIONS - SCHEDULE C

Alaska Political Action Committee
(NAME OF CANDIDATE OR GROUP)

INSTRUCTIONS: In Part I itemize the contributors who have given more than $100 to the campaign. Refunds are to be shown as a negative figure in brackets ( ) and subtracted from other contributions. The Summary in Part II shows persons contributions from the candidate, the total of contributions at $100 or less, and the sub-total of Part I.

PART 1.

DATE	CHECK NUMBER	NAME AND ADDRESS OF CONTRIBUTOR	OCCUPATION	EMPLOYER (if self-employed list name and address of business)	AMOUNT THIS PERIOD	Cumu AMT EACH CONTRIB
1/27/84		Generator Systems 2700 Hanson Road Fairbanks, Ak.	Electrical Supplier		250	250
2/3/84		Evans Equipment 1 Mile Peger Road Fairbanks, Ak	Heavy Equipment		250	250
2/3/84		Santa's World 302 N Santa Claus Ln North Pole, Ak.	Travel Agency		250	250
2/8/84		Young's Gear Inc. P.O. Box 94193 Fairbanks, Ak.	Gears & Engines		250	250
2/7/84		Six Robbles of Alaska 2817 Rampart Dr Anchorage, Ak.	Tire Repair Materials	ARRIVED	250	250
2/9/84		Automotive Electric 1980 Van Horn Rd Fairbanks, Ak	Electrical Supplies	AUG 13 1984	250	250
2/9/84		Soupe' Enterprises P.O. Box 510 Fairbanks, Ak	Chevron Dealer	APOC - ANCH PM HC	250	250
2/7/84		Alaska Sales & Serv 1300 E. 5th Ave Anchorage, Ak.	Vehicle Dealer		250	250
2/24/84		Lawson Products 5801 Bristol Drive Anchorage, Ak.	Nuts & Bolts		250	250
2/29/84		AT&S P.O. Box 60756 Fairbanks, Ak	Insulation		250	250
2/29/84		Bowers Office Products 2175 Univ. Ave., So Fairbanks, Ak	Office Supplies		250	250
3/5/84		Alaska Steel 1200 W. Dowling Anchorage, Ak	Cut Steel		250	250
4/3/84		Corroon & Black 4220 B Street Anchorage, Ak.	Insurance Brokerage		250	250

PART 2. SUMMARY — SUB-TOTAL 3,250

1. CANDIDATE'S PERSONAL CONTRIBUTIONS THIS PERIOD ..... $ _____
2. TOTAL OF CONTRIBUTIONS FROM OTHERS OF $100 OR LESS THIS PERIOD
   Number of Contributors(_____) ..... _____
3. TOTAL OF CONTRIBUTIONS FROM OTHERS OVER $100 THIS PERIOD ..... $ _____
4. TOTAL MONETARY CONTRIBUTIONS THIS PERIOD (add lines 1,2 and 3) ..... $ _____
   (enter this total on line 1, Column B, Summary Page)

Check one ☐ Primary ☐ General 198_____ Check one ☐ 30 Day, ☐ 7 Day, ☐ 10 Day, ☐ Year-end
(Please check box ☐ if fund-raiser form on reverse side was used.)

APOC Form 15-SC-B/84(rev) Ex U S SCHEDULE C Page 1

BEST AVAIL

STATE MONETARY CONTRIBUTIONS - SCHEDULE C

Alaska Political Action Committee
(NAME OF CANDIDATE OR GROUP)

INSTRUCTIONS: In Part I itemize the contributors who have given more than $1
to the campaign. Refunds are to be shown as a negative figure in brackets (
and subtracted from other contributions. The Summary in Part II shows persons
contributions from the candidate, the total of contributions at $1
or less, and the sub-total of Part I.

PART 1.

DATE	CHECK NUMBER	NAME AND ADDRESS OF CONTRIBUTOR	OCCUPATION	EMPLOYER (if self-employed list name and address of business)	AMOUNT THIS PERIOD	Cumu. AMT EAC- CONTRIB
4/3/84		Evans Equipment 720 E. Whitney Road Anchorage, Ak.	Heavy Equipment		250	250
7/27		Red Iron Corp E. 1418 Houston Spokane, Wa. 99207	Steel Products		250	250
				ARRIVED		
				AUG 13 1984		
				[illegible]		

PART 2. SUMMARY

SUB-TOTAL 500

1. CANDIDATE'S PERSONAL CONTRIBUTIONS THIS PERIOD ..... $ _____
2. TOTAL OF CONTRIBUTIONS FROM OTHERS OF $100 OR LESS THIS PERIOD
Number of Contributors(_____) ..... _____
3. TOTAL OF CONTRIBUTIONS FROM OTHERS OVER $100 THIS PERIOD ..... $ 1,250
4. TOTAL MONETARY CONTRIBUTIONS THIS PERIOD (add lines 1,2 and 3) ..... $ 1,250
(enter this total on line 1, Column B, Summary Page)

Check one ☒ Primary ☐ General 1984 Check one ☒ 30 Day, ☐ 7 Day, ☐ 10 Day, ☐ Year-end
(Please check box ☐ if fund-raiser form on reverse side was used.)

Exx. U-6

Appc Form 15-3C-84(b) SCHEDULE C, Page 2

ABLE COPY

STA.. CAMPAIGN NON-MONETARY CONTRIBUTIONS
Schedule D

INSTRUCTIONS: List all non-monetary, or so-called in-kind, contributions of any gifts, goods or services for which a charge is ordinarily made, including the payment for services rendered to a candidate or group by one person and paid for by another person.

PART 1. NON-MONETARY CONTRIBUTIONS (Itemize as Required)

DATE	NAME AND ADDRESS OF CONTRIBUTOR	OCCUPATION AND EMPLOYER (if self-employed, list name and address of business)	DESCRIPTION OF CONTRIBUTION	ESTIMATED FAIR MARKET VALUE	CUMM. AMT. EACH CONTRIB.
Various Throughout Period	VECO International Inc.	Oilfield Service Company Holding Company	Misc. letter drafting, secretarial, mailing, paper & stamps.	575.00	575.00

RECEIVED
AUG 2 3
PM HC

SUB-TOTAL 575.00

PART 2. SUMMARY OF NON-MONETARY CONTRIBUTIONS

1 TOTAL OF CONTRIBUTIONS VALUED AT $100 OR LESS THIS PERIOD
Number of Contributors( ) $ 575.00

2 TOTAL OF CONTRIBUTIONS VALUED AT OVER $100 THIS PERIOD $ 575.00

3 TOTAL OF NON-MONETARY CONTRIBUTIONS THIS PERIOD (add lines 1 and 2) $ 575.00
(enter this total on line 4, Column B, Summary Page)
SCHEDULE D, PAGE 1

Alaska Political Action Committee
(NAME OF CANDIDATE OR GROUP)

Ex U-7

Check one ☒ 30 Day, ☐ 7 Day, ☐ 10 Day, ☐ Year-end
Check one ☒ Primary, ☐ General 198 4

APOC Form 15-30 (5/84)

BEST AVA

STATE CAMPAIGN PAID EXPENDITURES
Schedule F

INSTRUCTIONS: If payment has actually been made for goods or services, whether or not they have been received, the paid expenditure is itemized in Part 1 of this schedule. Do not itemize any payments which have been made for any accrued expenditures previously reported on Schedule G. However, enter on this schedule, Part 2, line 2, the total of accrued expenditures paid from Schedule G, Part 3, line 2. Refunds are to be shown as a negative figure in brackets (—) and subtracted from other expenditures.

PART 1. PAID EXPENDITURES (Itemize)

DATE	CHECK No	NAME AND ADDRESS OF PAYEE	PURPOSE OF EXPENDITURE	AMOUNT
7/27/84	101	Mitch Abood for Senate	Campaign Contribution	$1,000
7/27/84	102	Jerry Ward for Senate	Campaign Contribution	$1,000
			check printing charges	9.43
			ARRIVED	
			AUG 15 1984	
			APOC - ANCH	
			by: AC	

PART 2. SUMMARY OF PAID EXPENDITURES

SUB-TOTAL 2009.43 ~~98,000~~

1 PAID EXPENDITURES THIS PERIOD (from Part 1 + any continuation sheets) ~~$-0-~~ 2009.43

2 PAID ACCRUED EXPENDITURES THIS PERIOD (from line 2 of Part 3, Schedule G) $-0-

3 TOTAL PAYMENTS THIS PERIOD (Enter this total on line 5, Column B, Summary Page) $ ~~98,000~~ 2009.43

Schedule F, Page 1

Check one: ☒ 30 Day, ☐ 7 [illegible] ☐ 10 Day, ☐ Year-end

Alaska Political Action Committee (Name of Candidate or Group)

Check one: ☒ Primary, ☐ General 1984

Ex U-8

APOC Form 15-3F (5/84)

AILABLE COPY